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IN THE SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

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NO FEE – GOV'T CODE § 6103

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES, CENTRAL DISTRICT

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

vs.

PM INVESTMENT GROUPS, INC., a California
Corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No.:

BC 677734

**COMPLAINT FOR ABATEMENT AND
INJUNCTION**

[CIVIL CODE SECTION 3479, *ET*
SEQ.; BUS. & PROF. CODE SECTION
17200, *ET* SEQ.]

[Unlimited Action]

PLAINTIFF, THE PEOPLE OF THE STATE OF CALIFORNIA, alleges as follows:

I. INTRODUCTION

1. This action ("Action") is brought and prosecuted by Plaintiff, the People of the State of California (the "People"), for the purpose of abating and enjoining a dangerous gang-related public nuisance existing at a six-unit residential apartment building located at 1528 - 1530 East 33rd Street, Los Angeles, CA 90011 (the "Property"). This Property, due in part to the lax management practices by property owner PM Investment Groups, Inc. (the "Defendant"), is a hub for gang-related criminal activity connected to the notorious 38th Street criminal street gang ("38th Street"). The Property is located in close proximity to several

1 sensitive sites in the community, including four schools, a public park, and several churches in
2 the blocks neighboring the Property.

3 2. The Property has been a gang-related public nuisance for several years. During
4 this time, members and associates of 38th Street have freely engaged in criminal and nuisance
5 behavior at the Property. Los Angeles Police Department ("LAPD") officers frequently respond
6 to calls reporting criminal activity at and in the immediate vicinity of the Property perpetrated by
7 members and associates of 38th Street, including shots fired, gang loitering, and individuals
8 illegally in possession of firearms, ammunition, and narcotics. Additionally, gang members
9 drink alcohol, smoke marijuana, party, play loud music, throw up gang-related hand signs and
10 challenge people on and around the Property regarding gang membership.

11 3. The Property is known in the surrounding community and among LAPD officers
12 as a dangerous and troublesome 38th Street gang location. The Property fosters and
13 augments the gang's hold on the surrounding area by serving as a hospitable location to
14 further the gang's operations. The Property has acquired its reputation as a direct result of the
15 inaction of the Defendant and of previous owners.

16 4. Members and associates of 38th Street come and go as they please and use the
17 vacant units, the common areas, and the front and back yards of the Property as their own,
18 without intervention or objection by management or any representative of the Defendant
19 property owner. The most common management best practices – effective gating and fencing,
20 lighting, video monitoring, and professional property management, amongst other things – are
21 seemingly absent from the Property, allowing the gang unfettered access and control. This
22 state of affairs is unacceptable for a private property owned and operated by a sophisticated
23 commercial actor, such as Defendant, in the City of Los Angeles in 2017. Residential locations
24 such as the Property that fall under the grip of a criminal street gang become toxic and
25 dangerous to the law abiding members of the community, who are forced to live in fear of the
26 gang – and the Property – on a daily basis.

27 ///

28 ///

II. THE PARTIES AND THE PROPERTY

A. Plaintiff

5. Plaintiff, the People, is the sovereign power of the State of California, and is authorized to bring the first cause of action pursuant to California Code of Civil Procedure section 731 which authorizes abatement, injunction, and penalty of and for public nuisances pursuant to the Public Nuisance Law ("PNL"), California Code sections 3479-3480. The second cause of action is brought pursuant to California Business and Professions Code section 17204, which authorizes cities with a population in excess of 750,000, such as Los Angeles, to prosecute actions for relief under California Business and Professions Code section 17200, *et seq.* for unlawful competition.

B. Defendants

6. Defendant PM Investment Groups, Inc., a California Corporation, owns the Property, in addition to several other properties in California and Arizona. Defendant has owned and exercised control over the Property since April 2017. The Property existed as a gang-related public nuisance when the Defendant purchased it, and has been a nuisance for many years. However, the dangerous nuisance at the Property has worsened in the short time that the Defendant has owned it. Since purchasing the Property, the Defendant has failed to actively manage the Property and has not delegated this crucial task to a property management company.

7. Defendant has now placed the Property for sale. A sale of the Property would simply pass the buck of this dangerous public nuisance onto the next buyer at the expense of the community. This nuisance abatement prosecution is brought to compel action by Defendant to bring the intolerable conditions at the Property to a swift and permanent turnaround before Defendant has the chance to rid itself of its responsibility to abate the public nuisance existing at its Property.

8. The true names and capacities of defendants sued herein as DOES 1 through 50, inclusive, are unknown to the Plaintiff, who therefore sues said defendants by such fictitious names. When the true names and capacities of said defendants have been

1 ascertained, the Plaintiff will ask leave of the Court to amend this complaint and to insert in lieu
2 of such fictitious names the true names and capacities of said fictitiously named defendants.

3 **C. The Property**

4 9. The Property is a multi-family apartment building on two parcels legally described
5 as: "Lot 12 of Gus B. Hill's Independence Tract, in the City of Los Angeles, County of Los
6 Angeles, State of California, as per Map recorded in Book 6 Page 62 of Maps, in the Office of
7 the County Recorder of said County" and "The West half of Lot 'B' of Gus B. Hill's
8 Independence Tract, in the City of Los Angeles, County of Los Angeles, State of California, as
9 per Map recorded in Book 6 Page 62 of Maps, in the Office of the County Recorder of said
10 County". The Los Angeles County Assessor's Parcel Numbers for the Property are 5117-008-
11 008 and 5117-008-009.

12 10. The Property has six units, two of which are vacant and unsecured and four of
13 which are occupied. Two photographs of the Property's exterior are attached hereto as Exhibit
14 1 and Exhibit 2. Exhibit 3 shows the interior of the vacant unit on the first floor ("Vacant Unit
15 #1") and is attached hereto. Exhibit 4 shows the interior of the vacant unit on the second floor
16 ("Vacant Unit #2") and is also attached hereto. The Property is riddled with gang graffiti in the
17 vacant units, the common areas, and the exterior of the Property. The gang writing "TEST,"
18 which is prominently on display at the Property and shown in Exhibit 1, stands for **Thirty-Eighth**
19 **Street**, or 38th Street. The Property's physical appearance is otherwise unkempt and sends
20 the distinct message that no one, except the gang, is in charge.

21 11. The Property is located near several sensitive sites, including Jefferson High
22 School approximately 360 feet away, Nevin Avenue Elementary School approximately 365 feet
23 away, Nava Middle School approximately 900 feet away, Amino Jefferson Middle School
24 approximately 1260 feet away, Ross Snyder Recreation Center approximately 190 feet away,
25 and several nearby churches. A map showing the location of the Property in relation to these
26 sensitive sites is attached hereto as Exhibit 5.

27 **III. THE PUBLIC NUISANCE LAW**

28 12. The PNL, Civil Code section 3479, defines a public nuisance as "[a]nything which

1 is injurious to health, including, but not limited to, the illegal sale of controlled substances, or is
2 indecent or offensive to the senses, or an obstruction to the free use of property, so as to
3 interfere with the comfortable enjoyment of life or property....” (See *City of Bakersfield v. Miller*
4 (1966) 64 Cal.2d 93, 99 [“The Legislature has defined in general terms the word 'nuisance' in
5 Civil Code section 3479. . . .”].)

6 13. Civil Code section 3480 defines a public nuisance as “one which affects at the
7 same time an entire community or neighborhood, or any considerable number of persons,
8 although the extent of the annoyance or damage inflicted upon individuals may be unequal.”

9 14. The case law is “replete with examples” of the “threat violent street gangs ...
10 pose to the safety of peaceful Californians.” (*Castaneda v. Olsher* (2007) 41 Cal.4th 1205,
11 1216.) In a case involving gang-related gunfire similar to what is occurring at the Property
12 here, the California Supreme Court explicitly recognized that “[s]treet gang activity can often
13 subject” innocent bystanders “to unacceptable levels of risk.” (*Id.*) In *Medina v. Hillshore*
14 *Partners* (1995) 40 Cal.App.4th 477, 486, involving a wrongful death claim by the mother of a
15 young man shot by gang members at an apartment complex, the Court said, “We agree that
16 the congregation of gangs poses a foreseeable risk of harm to the public.” In particular, the
17 whole spectrum of typical street gang conduct, ranging from loitering, to public drinking and
18 boisterousness, to drug dealing, to gunfire, has been held to “easily meet the statutory
19 standard” for a public nuisance under Civil Code section 3479. (*People ex rel. Gallo v. Acuna*
20 (1997) 14 Cal.4th 1090, 1120.)

21 15. Civil Code section 3491 provides the methods by which public nuisances such as
22 those alleged herein may be abated. Civil Code section 3491 states that the “remedies
23 against a public nuisance are indictment or information, a civil action or abatement.”
24 Abatement is “accomplished by a court of equity by means of an injunction proper and suitable
25 to the facts of each case.” (*Sullivan v. Royer* (1887) 72 Cal. 248, 249.)

26 16. Code of Civil Procedure section 731 authorizes a city attorney to bring an
27 action to enjoin or abate a public nuisance. It provides, in relevant part, “[a] civil action may be
28 brought in the name of the people of the State of California to abate a public nuisance . . . by

1 the city attorney of any town or city in which such nuisance exists."

2 17. "[S]trict liability for nuisance historically attends the possession and control of
3 land." (*Leslie Salt Co. v. San Francisco Bay Conservation and Development Commission*
4 (1984) 153 Cal.App.3d 605, 618 n. 15 & 619). "It is immaterial whether the acts" of the
5 persons sought to be held liable for a nuisance "be considered willful or negligent; the essential
6 fact is that, whatever be the cause, the result is a nuisance." (*Snow v. Marian Realty Company*
7 (1931) 212 Cal. 622, 625-26; see also *Sturges v. Charles L. Harney, Inc.* (1958) 165
8 Cal.App.2d 306, 318 ["a nuisance and liability therefore may exist without negligence"]; *People*
9 *v. McCadden* (1920) 48 Cal.App. 790, 792 ["A judgment supported on findings that such
10 nuisance was conducted and maintained on the premises in question, regardless of the
11 knowledge of the owner thereof, is sufficient. Such knowledge on the part of the owner . . . is
12 unnecessary."].) This strict standard is because "the object of the act is not to punish; its
13 purpose is to effect a reformation of the property itself." (*People v. Bayside Land Co.* (1920) 48
14 Cal.App. 257, 261.)

15 IV. UNFAIR COMPETITION LAW

16 18. The practices forbidden by the state Unfair Competition Law at Business and
17 Professions Code section 17200, *et seq.* ("UCL") are any business practices forbidden by law,
18 be it criminal, federal, state, municipal, statutory, regulatory or court-made. As the California
19 Supreme Court has explained, the UCL "'borrows' violations of other laws and treats them as
20 unlawful practices independently actionable under Section 17200, *et seq.*" (*South Bay*
21 *Chevrolet v. General Motors Acceptance Corp.* (1999) 72 Cal.App.4th 861, 880 (internal
22 citations and quotation marks omitted).)

23 19. As proscribed by the UCL, "[a]n 'unlawful business activity' includes anything that
24 can properly be called a business practice and that at the same time is forbidden by law."
25 (*People v. McKale* (1979) 25 Cal.3d 626, 632.) The ownership and operation of an apartment
26 building, such as the Property, by owners doing so for the purposes of profit, is, axiomatically,
27 a business under the UCL. (See *People ex rel. City of Santa Monica v. Gabriel* (2010) 186
28 Cal.App.4th 882, 888 ("The renting of residential housing is a business."); see also *Barquis v.*

1 *Merchants Collection Ass'n* (1972) 7 Cal.3d 94, 111-113 (giving a broad meaning of the UCL
2 so as to effect its broad remedial purposes.) Thus, when a property owner conducts,
3 maintains, or permits a nuisance that is unlawful under the PNL to exist on the premises of
4 such a property, it is a violation of the UCL. Similarly, when a property owner violates
5 provisions of the Los Angeles Municipal Code ("LAMC") by unlawfully renting, leasing, or
6 otherwise permitting a medical marijuana business to occupy or use a location in the City of
7 Los Angeles, it is also a violation of the UCL.

8 20. Moreover, the UCL casts a broad net. "Any person performing or proposing to
9 perform an act of unfair competition may be enjoined . . ." (Bus. & Prof. Code, § 17203.) The
10 term person includes "natural persons, corporations, firms, partnerships, joint stock
11 companies, associations and other organizations of persons." (Bus. & Prof. Code, § 17201.)
12 The courts have expanded Section 17200's net beyond direct liability to include common law
13 doctrines of secondary liability where the liability of each defendant is predicated on his or her
14 personal participation in the unlawful practices. (*People v. Toomey* (1985) 157 Cal.App.3d 1,
15 14; *Emery v. Visa Int'l Service Ass'n* (2002) 95 Cal.App.4th 952, 960.)

16 21. A public entity can sue pursuant to Section 17200 based on violations of its own
17 municipal code, state law, or other local ordinance. (*People v. Thomas Shelton Powers, M.D.,*
18 *Inc.* (1992) 2 Cal.App.4th 330, 338-339.)

19 22. Defendants engaging in violations of the UCL may be enjoined in any court of
20 competent jurisdiction. (Bus. & Prof. Code, § 17203.) A court may make such orders or
21 judgments, including appointment of a receiver, as may be necessary to prevent the use or
22 employment by any person of any practice constituting unfair competition. (*Id.*)

23 **V. FIRST CAUSE OF ACTION FOR PUBLIC NUISANCE**

24 **[Civil Code section 3479, et seq. --**

25 **Against Defendant and DOES 1 through 50]**

26 23. Plaintiff incorporates by reference Paragraphs 1 through 22 of this Complaint and
27 makes them part of this First Cause of Action as though fully set forth herein.

28 24. From late April 2017 through the present time, Defendant, and DOES 1 through

1 50, have alternately owned, operated, managed, and used, and/or directly or indirectly
2 permitted to be occupied and used, the Property in such a manner as to constitute a public
3 nuisance in accordance with Civil Code sections 3479 and 3480. The public nuisance, as
4 described herein, is injurious to health, indecent or offensive to the senses, and/or an
5 obstruction to the free use of property, so as to substantially and unreasonably interfere with
6 the comfortable enjoyment of life or property by those persons living in the surrounding
7 community. The public nuisance at the Property consists of, but is not limited to, the regular,
8 menacing, intimidating, disorderly presence of gang members and/or associates at and around
9 the Property, using the vacant units, yards, and other common areas as gang hangouts;
10 illegally firing weapons on or near the Property; and the illegal possession of firearms,
11 ammunition, and narcotics on the Property. These conditions have been present at the
12 Property for numerous years, throughout Defendant's tenure at the Property, and up to the
13 present.

14 25. Defendant, and DOES 1 through 50, in owning, conducting, maintaining, and/or
15 permitting the use of the Property, directly or indirectly, as a public nuisance, have engaged in
16 wrongful conduct and caused a serious threat to the general health, safety, and welfare of the
17 law-abiding tenants at the Property and persons in the area surrounding the Property.

18 26. Unless Defendant, and DOES 1 through 50, are restrained and enjoined by order
19 of this Court, they will continue to use, occupy, and maintain, and to aid, abet, or permit,
20 directly or indirectly, the use, occupation, and maintenance of the Property, together with the
21 fixtures and appurtenances located therein, for the purpose complained of herein, to the great
22 and irreparable damage of Plaintiff and in violation of California law.

23 **VIII. SECOND CAUSE OF ACTION FOR UNFAIR COMPETITION**

24 **[Business and Professions Code Section 17200, et seq. --**

25 **Against Defendant and DOES 1 through 50]**

26 27. Plaintiff hereby incorporates by reference paragraphs 1 through 26 of this
27 Complaint and makes them part of this Second Cause of Action, as though fully set forth
28 herein.

28. Ownership and operation of the Property, a multi-unit apartment building, is a business. When the owner and/or manager of such a business violates the PNL such that a nuisance exists and flourishes at the business' premises, as alleged herein, it is also a violation of the UCL.

29. Defendant, and DOES 1 through 50, have violated the UCL by conducting, maintaining and/or permitting, directly or indirectly, a nuisance in violation of the PNL at the Property, as alleged herein.

30. Plaintiff has no adequate remedy at law, and unless Defendants, and DOES 1-50, are restrained by this Court they will continue to commit unlawful business practices or acts, thereby causing irreparable injury and harm to the public's welfare.

PRAYER

WHEREFORE, PLAINTIFF PRAYS THAT THIS COURT ORDER, ADJUDGE AND DECREE AS FOLLOWS:

AS TO THE FIRST CAUSE OF ACTION

AS TO DEFENDANTS and DOES 1 through 50:

1. That the Property, together with the fixtures and moveable property therein and thereon, be declared a public nuisance and be permanently abated as such in accordance with Civil Code section 3491.

2. That the Court grant a preliminary injunction, permanent injunction and order of abatement, enjoining and restraining each Defendant, and any agents, officers, employees, and anyone acting on their behalf, and their heirs and assignees, from operating, conducting, using, occupying, or in any way permitting the use of the Property as a public nuisance. Such orders should include, but not be limited to, physical and managerial improvements to the Property and such other orders as are appropriate to remedy the nuisance on the Property and enhance the abatement process.

3. That Plaintiff be granted such costs as may occur in abating said nuisance at the Property and such other costs as the Court shall deem just and proper.

4. That a representative of the Defendant be ordered to reside at the Property until

1 the nuisance is abated.

2 5. That Plaintiff be granted such other and further relief as the Court deems just and
3 proper, including closure and/or demolition of the Property.

4 6. That each Defendant, and any agents, trustees, officers, employees and anyone
5 acting on their behalf, and their heirs and assignees, be perpetually enjoined from transferring,
6 conveying, or encumbering any portion of the Property, for consideration or otherwise, without
7 first obtaining Plaintiff's approval of any prospective buyer of the Property and then obtaining
8 the Court's approval of the sale.

9 7. That each Defendant be ordered to immediately notify any transferees,
10 purchasers, commercial lessees, or other successors in interest to the subject Property of the
11 existence and application of this lawsuit, any temporary restraining order, preliminary
12 injunction, or permanent injunction *before* entering into any agreement to sell, lease, or
13 transfer, for consideration or otherwise, all or any portion of the Property that is the subject of
14 this Action.

15 8. That each Defendant be ordered to immediately request and procure signatures
16 from all prospective transferees, purchasers, lessees, or other successors in interest to the
17 subject Property, which acknowledges his/her respective receipt of a complete, legible copy of
18 this lawsuit, any temporary restraining order, preliminary and permanent injunction, and deliver
19 a copy of such acknowledgment to the Los Angeles City Attorney's Office, c/o Deputy City
20 Attorney Adam Bierman or his designee.

21 AS TO THE SECOND CAUSE OF ACTION

22 AS TO DEFENDANTS and DOES 1 through 50:

23 1. That each Defendant be declared in violation of Business and Professions Code
24 section 17200.

25 2. That each Defendant, and any agents, heirs, successors, and anyone acting on
26 their behalf, be permanently enjoined from maintaining, operating, or permitting any unlawful or
27 unfair business acts or practices in violation of Business and Professions Code section 17200.

28 3. That the Court grant a preliminary and/or permanent injunction prohibiting each

1 Defendant, and any agents, heirs, successors, and anyone acting on their behalf, from
2 engaging in the unlawful or unfair acts and/or practices described herein at the Property and in
3 the City of Los Angeles. Such orders should include physical and managerial improvements to
4 the Property.

5 4. That, pursuant to Business and Professions Code section 17206, each
6 Defendant be assessed a civil penalty of Two Thousand Five Hundred Dollars (\$2,500) for
7 each and every act of unfair competition.

8 5. That, pursuant to the Court's equitable power and Business and Professions
9 Code section 17203, the Court make such orders or judgments, including appointment of a
10 receiver, to eliminate the unfair competition alleged herein.

11 AS TO ALL CAUSES OF ACTION

12 1. That Plaintiff recover the amount of the filing fees and the amount of the fee for
13 the service of process or notices that would have been paid but for Government Code section
14 6103.5, designating it as such. The fees may, at the Court's discretion, include the amount of
15 the fees for certifying and preparing transcripts.

16 2. That Plaintiff be granted such other and further relief as the Court deems just and
17 proper.

18
19 DATED: September 29, 2017

Respectfully submitted,

20 MICHAEL N. FEUER, City Attorney

21 JONATHAN CRISTALL, Supervising Assistant City Attorney

22
23 By: 

24 ADAM BIERMAN, Deputy City Attorney

25 Attorneys for Plaintiff, THE PEOPLE OF THE STATE
26 OF CALIFORNIA
27
28

Exhibit 1

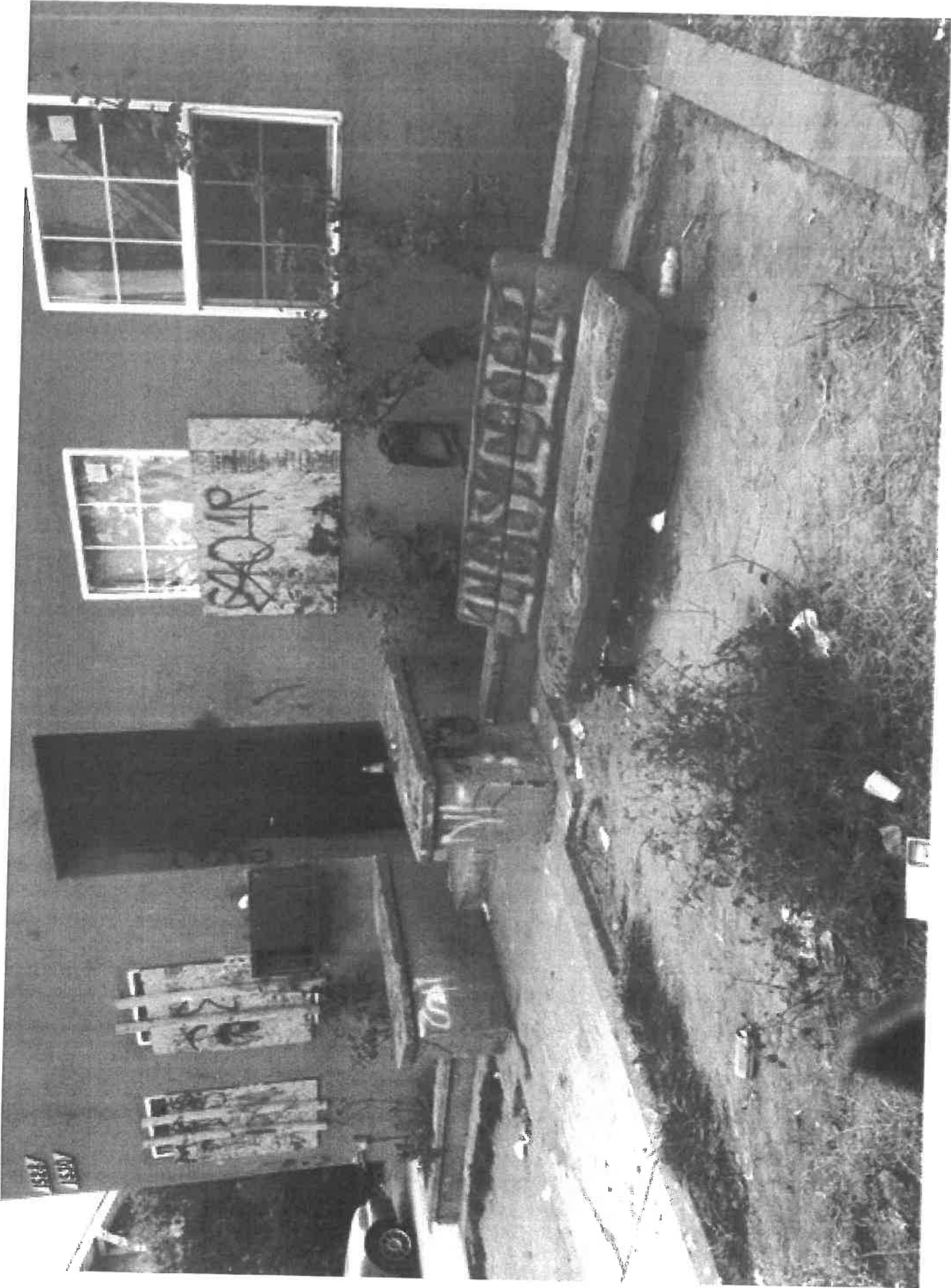


Exhibit 1 - Exterior of the Property

Exhibit 2

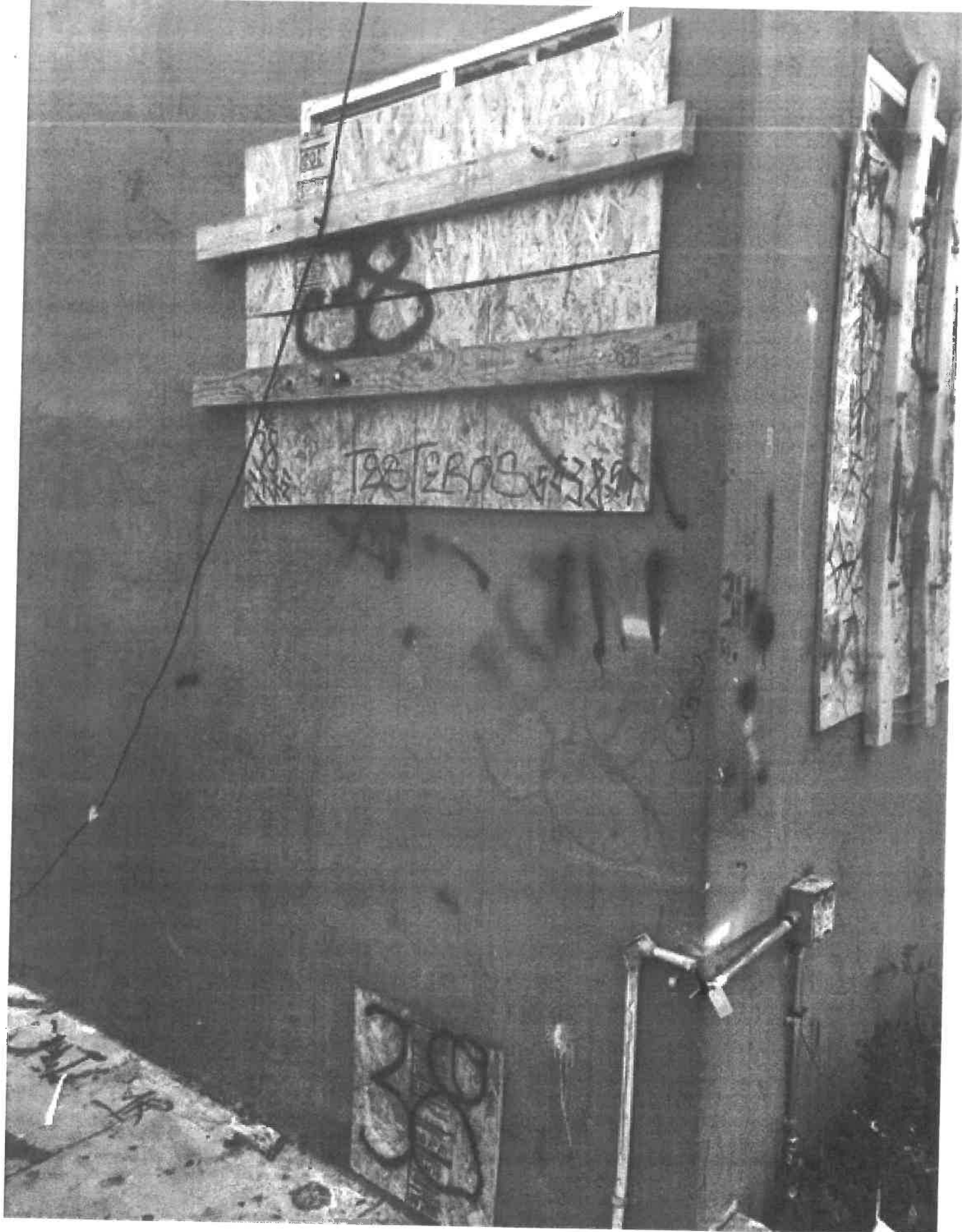


Exhibit 2 - Exterior of the Property

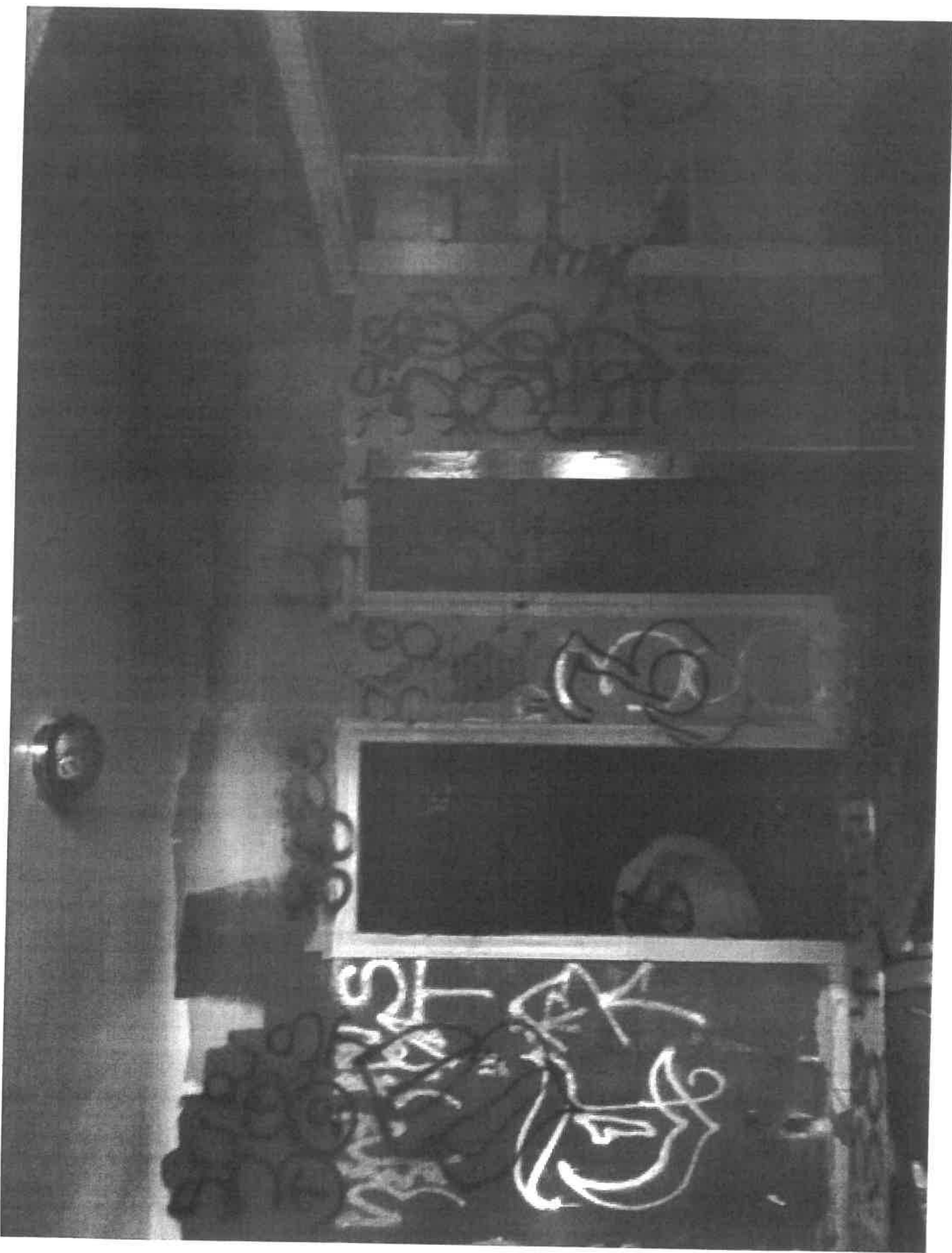


Exhibit 3 - Interior of Vacant Unit #1



Exhibit 4 - Interior of Vacant Unit #2

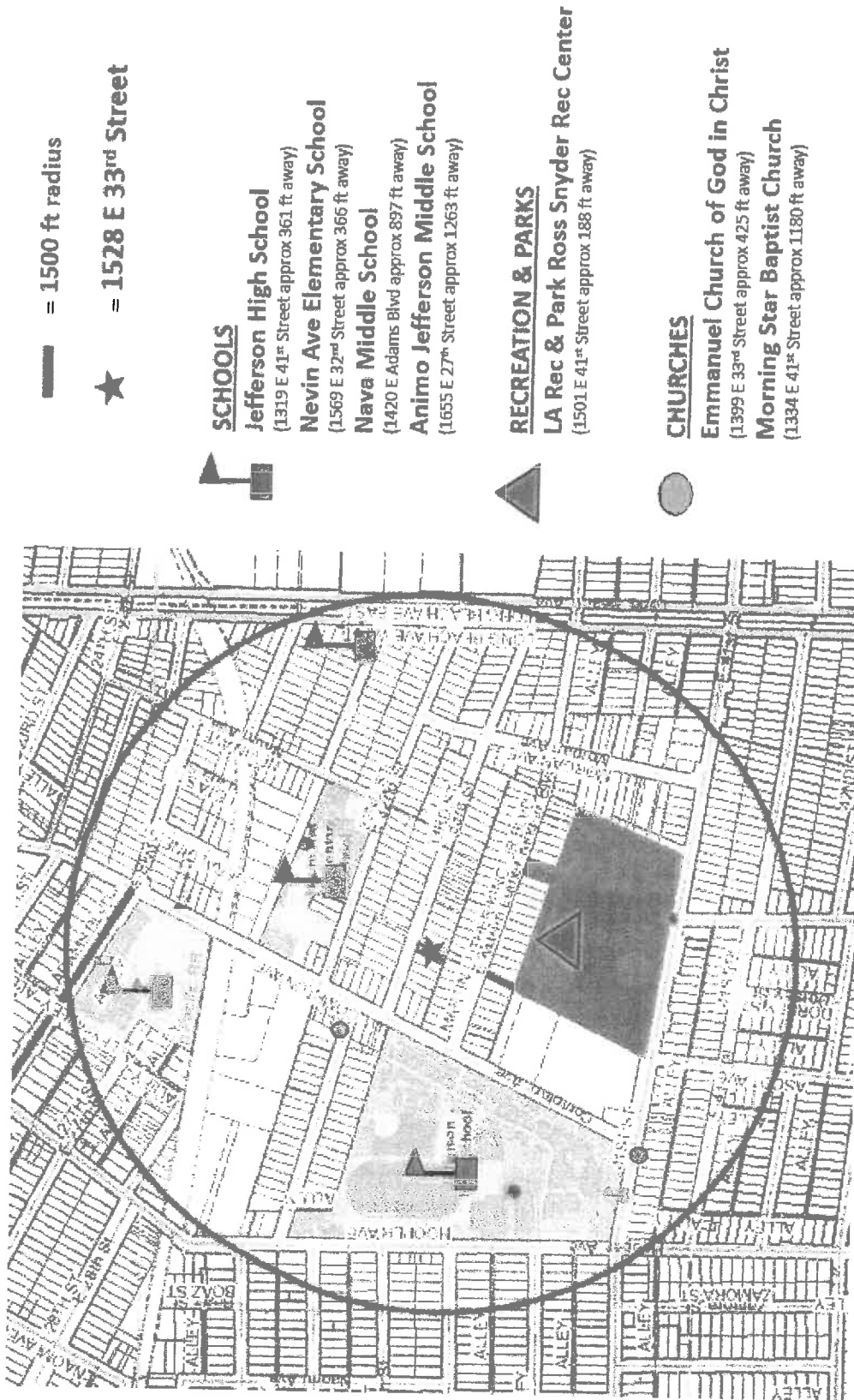


Exhibit 5 - Sensitive Sites in the Community